

# House Bill 2127

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Racing Commission)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes Oregon Racing Commission to regulate sports wagering. Defines "sports wagering." Requires commission to issue sports wagering license to qualified applicant. Prohibits any person from engaging in sports wagering without sports wagering license. Requires commission to establish method for individuals to make complaint of prohibited conduct or other violation to commission.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1 Relating to sports wagering; and prescribing an effective date.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1. As used in sections 1 to 10 of this 2021 Act:**

4 (1) **"Gross sports wagering receipts" means the net win from gaming activities, which is**  
5 **the difference between sports wagering wins and losses before deducting promotional allow-**  
6 **ances, costs and expenses.**

7 (2) **"Occupational licensee" means a person who holds an occupational license issued un-**  
8 **der section 2 of this 2021 Act.**

9 (3) **"Official league data" means statistics, results, outcomes and other data related to a**  
10 **sports event that is obtained pursuant to an agreement with the relevant sport's governing**  
11 **body, or an entity expressly authorized by the sport's governing body to provide such infor-**  
12 **mation to sports wagering licensees, that authorizes the use of the data for determining the**  
13 **outcome of tier 2 sports wagers on a sports events.**

14 (4) **"Personal biometric data" means an athlete's personal physical information derived**  
15 **from the athlete's DNA, heart rate, blood pressure, perspiration rate, internal or external**  
16 **body temperature, hormone levels, glucose levels, hydration levels, vitamin levels, bone**  
17 **density, muscle density and sleep patterns.**

18 (5)(a) **"Prohibited conduct" means any statement, action or other communication in-**  
19 **tended to influence, manipulate or control a wagering outcome of a sports event or of any**  
20 **individual occurrence or performance in a sports event in exchange for financial gain or to**  
21 **avoid financial or physical harm, including a statement, action or other communication made**  
22 **by a third party, such as a family member or a member of the public through social media,**  
23 **to:**

24 (A) **An athlete;**

25 (B) **An umpire, referee or official;**

26 (C) **Personnel associated with a club, team, league or athletic association;**

27 (D) **A medical professional, including an athletic trainer, who provides services to**  
28 **athletes; or**  
29

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (E) The family members and associates of a person listed in this paragraph.

2 (b) "Prohibited conduct" does not mean a statement, action or communication made or  
3 sanctioned by a team or sports governing body.

4 (6) "Sports event" means a collegiate or professional sport or athletic event, a motor  
5 race event or any other event or competition of relative skill.

6 (7) "Sports governing body" means the organization that prescribes final rules and en-  
7 forces codes of conduct with respect to a sports event and participants in the sports event.

8 (8) "Sports wagering" means accepting wagers made in any form on sports events or  
9 portions of sports events, or on the individual performance statistics of athletes in a sports  
10 event or combination of sports events, by any system or method of wagering, including but  
11 not limited to in person or over the Internet through websites and on mobile devices.

12 (9) "Sports wagering account" means a financial record established by a sports wagering  
13 licensee for an individual patron in which the patron may deposit and withdraw funds for  
14 sports wagering and other authorized purchases and to which the sports wagering licensee  
15 may credit winnings or other amounts due to or authorized by that patron.

16 (10) "Sports wagering licensee" means a person that holds a sports wagering license is-  
17 sued under section 3 of this 2021 Act.

18 (11) "Tier 1 sports wager" means a sports wager that is determined solely by the final  
19 score or outcome of the sports event and that is placed before the sports event has begun.

20 (12) "Tier 2 sports wager" means a sports wager that is not a tier 1 sports wager.

21 (13) "Wager" means a sum of money or something of value, as defined in ORS 167.117,  
22 risked on an uncertain occurrence.

23 **SECTION 2.** (1) The Oregon Racing Commission shall collect any fees and fines, or other  
24 moneys payable to the commission, authorized by sections 1 to 10 of this 2021 Act.

25 (2) The commission shall adopt rules to issue an occupational license to an employee or  
26 independent contractor acting on behalf of a sports wagering licensee when the employee or  
27 independent contractor performs duties in furtherance of or associated with the operation  
28 of sports wagering by the sports wagering licensee. The rules adopted under this subsection  
29 must provide that:

30 (a) The annual fee for an occupational license is \$50.

31 (b) An occupational licensee shall carry the occupational license and have some indicia  
32 of licensure prominently displayed on the occupational licensee's person when present in a  
33 facility at which sports wagering occurs.

34 (3)(a) The commission may adopt rules to require that sports wagering licensees share,  
35 in real time and at the sports wagering account level, information regarding a wagerer,  
36 amount and type of wager, the time the wager was placed, the location of the wager, in-  
37 cluding the Internet Protocol address, the outcome of the wager and records of abnormal  
38 wagering activity.

39 (b) Information shared under this subsection must be submitted in the form and manner  
40 required by the commission by rule.

41 (c) If a sports governing body has notified the commission that real-time sharing of the  
42 information described in paragraph (a) of this subsection regarding wagers placed on the  
43 sports governing body's sports events is necessary and desirable, sports wagering licensees  
44 may share the information in the form and manner required by the commission by rule with  
45 the sports governing body, or its designee, with respect to wagers on its sports events sub-

1 **ject to applicable federal, state or local laws or regulations, including but not limited to pri-**  
 2 **vacy laws and regulations. The information shared under this subsection may be provided in**  
 3 **anonymized form and may be used by a sports governing body solely to preserve the integrity**  
 4 **and security of sports wagering.**

5 **(4)(a) A sports wagering licensee, professional sports team, league, association, sports**  
 6 **governing body or private or public post-secondary institution of education may submit to**  
 7 **the commission in writing a request to prohibit a type or form of wagering if the sports**  
 8 **wagering licensee, professional sports team, league, association, sports governing body or**  
 9 **private or public post-secondary institution of education believes that the type or form of**  
 10 **wagering is contrary to public policy, unfair to consumers or affects the integrity of a par-**  
 11 **ticular sport or the sports wagering industry.**

12 **(b) The commission shall grant the request upon a demonstration of good cause from the**  
 13 **requester and consultation with relevant sports wagering licensees.**

14 **(c) The commission shall respond to a request made under this subsection concerning a**  
 15 **particular sports event before the start of the sports event or, if it is not feasible to respond**  
 16 **before the start of the sports event, as soon as practicable after receiving the request.**

17 **(5) The commission and sports wagering licensees may cooperate with investigations**  
 18 **conducted by sports governing bodies or law enforcement agencies. Cooperation may include,**  
 19 **but is not limited to, providing and facilitating the provision of sports wagering account-level**  
 20 **information and audio or video files relating to persons placing wagers.**

21 **(6)(a) The commission may adopt rules to carry out sections 1 to 10 of this 2021 Act.**

22 **(b) The commission may exercise any other powers necessary to enforce sections 1 to**  
 23 **10 of this 2021 Act and any rules adopted under sections 1 to 10 of this 2021 Act.**

24 **SECTION 3. (1) The Oregon Racing Commission shall issue a sports wagering license to**  
 25 **an applicant who:**

26 **(a) Submits an application in the form and manner required by the commission;**

27 **(b) Submits the fingerprints of the applicant, applicant's owners, officers, directors,**  
 28 **managers, members and partners for a national criminal records check conducted under**  
 29 **ORS 181A.195;**

30 **(c) Is a Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub li-**  
 31 **icensed under ORS 462.725;**

32 **(d) Pays a fee as described in subsection (3) of this section; and**

33 **(e) Meets any other requirements adopted by the commission by rule.**

34 **(2) A sports wagering license is valid for the term established by the commission by rule**  
 35 **and may be renewed pursuant to rules adopted by the commission.**

36 **(3)(a) The annual license fee for a sports wagering license may not exceed \$50,000. Mon-**  
 37 **eys collected from licensing fees must be used for the administrative costs of the commission**  
 38 **in carrying out sections 1 to 10 of this 2021 Act.**

39 **(b) An additional fee not to exceed 10 percent of gross sports wagering receipts shall be**  
 40 **assessed upon each sports wagering licensee. Seventy-five percent of the additional fee as-**  
 41 **essed under this paragraph shall be paid to the General Fund in the State Treasury to the**  
 42 **credit of the Oregon Racing Commission Account. The remaining 25 percent of the additional**  
 43 **fee assessed under this paragraph shall be allocated by the commission to support the racing**  
 44 **industry.**

45 **(4)(a) The commission may require additional criminal records checks under ORS**

1 181A.195 on a sports wagering licensee, and the individuals described in subsection (1)(b) of  
 2 this section, upon the sports wagering licensee’s application for license renewal.

3 (b) An applicant convicted of a disqualifying offense, as determined by the commission,  
 4 may not be licensed.

5 (5)(a) Upon issuance of a sports wagering license, the information and plans provided in  
 6 the application become a condition of the sports wagering license.

7 (b) A sports wagering licensee shall give the commission written notice within 30 days  
 8 after a material change to information provided in the sports wagering licensee’s application  
 9 for a license or license renewal.

10 (c) Failure to comply with the conditions or requirements in the application may subject  
 11 the sports wagering licensee to discipline including but not limited to fines, suspension and  
 12 revocation of the sports wagering license, pursuant to rules adopted by the commission.

13 (6)(a) An applicant for a sports wagering license shall demonstrate that the equipment,  
 14 system or services that the applicant plans to offer conforms to standards established by the  
 15 commission by rule and any applicable state law. The commission may accept an approval  
 16 by another jurisdiction that the commission determines has similar equipment, system or  
 17 service standards as evidence the applicant meets the standards established by the commis-  
 18 sion under this subsection.

19 (b) The commission may adopt rules establishing additional requirements for any equip-  
 20 ment, system or services utilized for sports wagering.

21 (7) The commission may adopt rules to establish additional qualifications and require-  
 22 ments for sports wagering licenses to preserve the integrity and security of sports wagering  
 23 in this state and to promote and maintain a competitive sports wagering market. The com-  
 24 mission shall in its sole discretion determine whether the sports wagering license applica-  
 25 tions meet the mandatory minimum qualification criteria described in subsection (1) of this  
 26 section, and conduct a comprehensive, fair and impartial evaluation of all applications.

27 **SECTION 4.** (1) A person may not engage in any activity in connection with the operation  
 28 of sports wagering in this state unless the person is a sports wagering licensee and acts in  
 29 accordance with sections 1 to 10 of this 2021 Act and with any rule adopted under sections  
 30 1 to 10 of this 2021 Act.

31 (2) A sports wagering licensee shall display the sports wagering license conspicuously in  
 32 the sports wagering licensee’s place of business or have the sports wagering license available  
 33 for inspection by an agent of the Oregon Racing Commission or a law enforcement agency.

34 (3) A sports wagering licensee shall submit to the commission a list of all sports wagering  
 35 equipment, systems and services used to conduct sports wagering operations. The commis-  
 36 sion may require that the listed equipment, systems and services be tested and approved by  
 37 an independent testing laboratory approved by the commission.

38 (4) A sports wagering licensee shall make commercially reasonable efforts to promptly  
 39 notify the commission of any information relating to:

40 (a) Criminal or disciplinary proceedings commenced against the sports wagering licensee  
 41 in connection with its operations;

42 (b) Abnormal wagering activity or patterns that may indicate a concern with the integ-  
 43 rity of a sports event or sports events;

44 (c) Any potential breach of the relevant sports governing body’s internal rules and codes  
 45 of conduct pertaining to sports wagering of which a sports wagering licensee has knowledge;

1 (d) Any other conduct that corrupts a wagering outcome of a sports event or sports  
2 events for purposes of financial gain, including match-fixing; and

3 (e) Suspicious or illegal wagering activities, including use of funds derived from illegal  
4 activity, wagers to conceal or launder funds derived from illegal activity, using agents to  
5 place wagers and using false identification.

6 **SECTION 5.** (1) The operation of sports wagering in this state is lawful only when con-  
7 ducted by a sports wagering licensee in accordance with sections 1 to 10 of this 2021 Act and  
8 with any rules adopted under sections 1 to 10 of this 2021 Act.

9 (2) A person placing a sports wager must be at least 18 years of age.

10 (3) A sports wagering licensee may conduct sports wagering over the Internet and  
11 through other media as determined by the commission by rule.

12 (4)(a) A sports governing body headquartered in the United States may notify the Oregon  
13 Racing Commission that the sports governing body desires to supply official league data to  
14 sports wagering licensees for determining the results of tier 2 sports wagers. The notification  
15 must be made in the form and manner required by the commission.

16 (b) If a sports governing body does not notify the commission of the sports governing  
17 body's desire to supply official league data, a sports wagering licensee may use any data  
18 source for determining the results of tier 2 sport's wagers on sports events for that sport's  
19 governing body.

20 (5) Within 30 days of a sport's governing body notifying the commission under subsection  
21 (4) of this section, sports wagering licensees may use only official league data to determine  
22 the results of tier 2 sports wagers on sports events sanctioned by that sport's governing body  
23 unless:

24 (a) The sport's governing body or its designee cannot provide a feed of official league data  
25 to determine the results of a particular type of tier 2 sports wager, in which case sports  
26 wagering licensees may use any data source for determining the results of the applicable tier  
27 2 sports wager until the data feed becomes available on commercially reasonable terms; or

28 (b) A sports wagering licensee can demonstrate to the commission that the sports gov-  
29 erning body or its designee cannot provide a feed of official league data to the sports  
30 wagering licensee on commercially reasonable terms. While the commission's determination  
31 is pending, a sports wagering licensee may use any data source for determining the results  
32 of tier 2 sports wagers.

33 (6) A sports wagering licensee may not accept sports wagers on a kindergarten through  
34 grade 12 sports event.

35 **SECTION 6.** A sports wagering licensee may not purchase or use any personal biometric  
36 data of an athlete unless the sports wagering licensee has received written permission from  
37 the athlete's exclusive bargaining representative.

38 **SECTION 7.** (1) The Oregon Racing Commission shall establish a telephone hotline or  
39 other method of communication that allows any person to confidentially report to the com-  
40 mission information about prohibited conduct or other violation of sections 1 to 10 of this  
41 2021 Act or any rule adopted under sections 1 to 10 of this 2021 Act. The commission shall  
42 maintain as confidential the identity of a person making a report under this section unless  
43 the person authorizes disclosure of the person's identity, or until the allegation of the pro-  
44 hibited conduct or violation is referred to law enforcement.

45 (2) The commission shall investigate all reasonable allegations of prohibited conduct or

1 other violation of sections 1 to 10 of this 2021 Act or any rule adopted under sections 1 to  
2 10 of this 2021 Act and refer any allegations the commission deems credible to the appropri-  
3 ate law enforcement agency.

4 (3) If the commission receives a complaint of prohibited conduct or other violation of  
5 sections 1 to 10 of this 2021 Act or any rule adopted under sections 1 to 10 of this 2021 Act  
6 by an athlete, the commission shall notify the appropriate sports governing body of the  
7 athlete to review the complaint as provided by rule.

8 (4)(a) The commission shall adopt rules governing investigations of prohibited conduct  
9 and violations and referrals to law enforcement agencies.

10 (b) The commission may adopt other rules as necessary to carry out this section.

11 **SECTION 8.** A sports wagering licensee shall include a statement regarding obtaining  
12 assistance with gambling addiction and other emotional and behavioral problems related to  
13 gambling, the text of which must be approved by the Oregon Racing Commission, in a  
14 prominent position on the sports wagering licensee's portal, Internet website, computer and  
15 mobile application.

16 **SECTION 9.** A resident, or nonresident if allowed to participate in sports wagering, may  
17 voluntarily prohibit themselves from establishing a sports wagering account with a sports  
18 wagering licensee. The sports wagering licensee shall incorporate the voluntary self-  
19 exclusion program for sports wagering into any existing self-exclusion program that the  
20 sports wagering licensee operates on or before the operative date specified in section 11 of  
21 this 2021 Act.

22 **SECTION 10.** Nothing in sections 1 to 10 of this 2021 Act shall be deemed to diminish the  
23 rights, privileges or remedies of a person under any other federal or state law, rule or reg-  
24 ulation.

25 **SECTION 11.** (1) Sections 1 to 10 of this 2021 Act become operative on January 1, 2022.

26 (2) The Oregon Racing Commission may take any action before the operative date speci-  
27 fied in subsection (1) of this section that is necessary to enable the commission to exercise,  
28 on and after the operative date specified in subsection (1) of this section, all of the duties,  
29 functions and powers conferred on the commission by sections 1 to 10 of this 2021 Act.

30 **SECTION 12.** This 2021 Act takes effect on the 91st day after the date on which the 2021  
31 regular session of the Eighty-first Legislative Assembly adjourns sine die.

32